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Martin, Thomas H.

He serves his country best who builds the nation's...

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He Serves His Country Best Who Builds the Nation's Homes.

The Wage Earners are our Home Builders === Their Income Must not be Impaired.

A MONEY TALK TO WAGE EARNERS.

BY T. H. MARTIN, Editor of "DIXIE."

THE wage earner is the man whose interests are most vitally affected by a wrong system of finance. The millionaire may lose half, or even nine-tenths of his fortune, and still be safe from hunger or want, but when the daily income of the wage earner is impaired he must eat less and wear less. The property holder may speculate or test the virtue of this or that theory without facing the horrible spectre of want, but when the wage earner experiments he stakes his all. Success means small gain, failure means hunger.

In view of the present financial agitation it behooves the wage earner to put aside all hastily conceived opinion or prejudice and devote himself earnestly to the task of finding the truth. Duty to those who are dependent upon his earnings should force him to studious investigation, and true manhood should rule his action when wisdom points the way.

The teachings of those who advocate "free coinage" of

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silver differ widely from the teachings of the men opposing them. Indeed, the doctrines of the two parties are wholly at variance, though both promise the same result—a return of prosperity. The advocates of "free coinage" contend that their policy would greatly increase the supply of money in circulation without impairing its purchasing power. The advocates of the gold standard contend that an unlimited issue of silver dollars would destroy the parity that now exists between the silver and the gold dollar; in other words, that the purchasing power of the silver dollar would fall to the actual worth of the metal composing it, which is now about fifty cents. Under our present financial system this depreciation is obviated by the Government's promise to redeem the silver dollar on demand, and give in its stead a "greenback" note, which is redeemable in gold coin. Thus our silver coin is actually exchangable for gold at the national treasury.

The advocates of "free coinage" wish to do away with the Government's promise to maintain the gold and silver dollars at a parity; they demand that the Government shall coin, without charge, all silver bullion presented at its mints, and that these dollars shall circulate wholly and solely upon their merit. Backed by no guarantee as to their worth, they shall be legal tender for the payment of all debts. As to the result of this law the silver men themselves are somewhat divided, some contending that the immediate result of a "free coinage" law would be an advance in the market price of silver to double its present price. Other silver advocates admit that there would be little, if any, advance in silver, but that the price of other commodities would advance to meet the depreciation of the silver dollar; that is, if the silver dollar should be worth only the present market value of the metal it contained—say fifty cents—flour, now worth five dollars per barrel, would advance to ten dollars per barrel. The advocates of this theory claim that no harm would result. On the contrary, they contend that the channels of trade would be flushed with money, and, as every one would share alike

in the inflation, no hardship would be caused by the advance in prices.

Let us consider the probable effect that free coinage would have on the market price of silver bullion, for this is the point upon which opinion differs widely. It is generally admitted that an agreement between the strong commercial nations to coin silver at a specific ratio to gold would have the effect of immediately advancing the price of silver bullion. If such an agreement could be effected each nation would be called upon to coin, and maintain at a par with gold, only the silver mined or in possession of the people of each nation. The advocates of this policy are called international bimetalists, and many who now vigorously oppose "free coinage," as the term is popularly used, are strong adherents to the policy of co-operative silver coinage by the principal nations.

But the voters at our fall elections cannot consider the matter from the standpoint of international action. The success of the silver party in this election means immediate and independent action by this country alone. The unlimited coinage of silver dollars at the present weight and fineness would be authorized. These dollars would be coined for all individuals or corporations without discrimination against native or foreign silver. The Mexican banker would have the right to deliver to a United States mint millions of Mexican dollars and demand that they be coined into full legal tender dollars of the United States. The Mexican dollar is now worth fifty-three cents in our money, although they contain more silver than our dollar. Thus the Mexican banker, after receiving his full number of dollars, would have a surplus of silver to his credit. India's and China's hoards of silver, now worth fifty cents in the open market, could demand coinage into American dollars. All the silver plate and bullion of the world would be clamoring for coinage into American dollars. The dollars so coined would have no guarantee of the Government behind them; they would not be redeemable in gold as now; they would circulate upon their own merit. In other words, they would be worth the market price of the metal they contained.

Now the question is, would the price of silver advance one

hundred per cent. on account of free coinage by the United States, or would the value of our silver dollar depreciate to the present market value of silver bullion and become a fifty-cent dollar? The advocates of "free coinage" argue that no one would sell silver in the open market for fifty cents, or, indeed, for any price less than one dollar, for he could have it coined into dollars without charge. (We refer, of course, to the quantity of silver used in a dollar, which is four hundred and twelve grains, sixty-eight grains less than one ounce.) This argument would hold good provided the United States would guarantee that each of these dollars would be maintained at a parity with gold, and was financially able to carry out such a stupendous undertaking. Deliberate consideration must convince all reasonable men that there might at first be some advance in the price of silver, but that any considerable advance would result in an influx of foreign bullion that would depreciate our dollar.

A practical illustration will serve to prove this argument. Suppose the furniture-makers in the United States should advocate an advance in the price of oak lumber. The market value of this lumber is now, we will say, twenty dollars per thousand feet, but the furniture manufacturers take up for consideration the question of fixing a uniform price of forty dollars per thousand feet. If all the furniture manufacturers of the United States should bind themselves to pay this price, all would be on an equal footing, but suppose that while the matter is under advisement the manufacturers at Grand Rapids, Mich., should become impatient and determine upon independent action. They determine hereafter to pay forty dollars per thousand feet for oak lumber. What would be the result? Every producer in the United States would rush timber of this character to the Grand Rapids market. Of course it would not be offered for sale elsewhere if worth a double price at Grand Rapids. The Grand Rapids manufacturers have not only announced their purpose to pay this double price for what lumber they require, but, without stipulation or condition, they have offered to pay double price for all oak lumber offered them. They have thrown their

yards open to the world. How long could the manufacturers of that single town maintain their position? There could be but one result—failure and humiliation. On the other hand, had the Grand Rapids manufacturers acted with more discretion and waited for the co-operation of the manufacturers in other sections, it is possible that the price of forty dollars per thousand feet could have been maintained, though it would be difficult to explain how the advanced price could have benefited any class except the producers of oak lumber, and it may be said here that it is quite as difficult to understand that an advance in the price of silver would benefit any class except the owners of silver mines.

So much to prove that "free coinage," as it is now advocated, would not double the market price of silver, consequently the unprotected silver dollar would depreciate; it would become worth only the value of the metal it contained, and its value would fluctuate with the market price of silver bullion. All this is admitted by many of the advocates of "free coinage." Others contend that it would not depreciate. We have endeavored to prove by a plain statement of facts that the price of silver would not materially advance and that the silver dollar would depreciate in purchasing power.

Forced to admit the truth of depreciation, the "free coinage" advocate falls back upon the theory of inflation, contending that cheap money would mean abundant money and high prices—high prices for the seller and abundant money for the buyer.

This brings us to the main point at issue. We contend that a depreciated currency, resulting in the inflation of prices, would not affect all classes alike. We believe that such a condition of finance would prove exceedingly harmful to the interests of the wage earner, for the very good reason that the necessities of life would double in value while his wages would remain the same. We do not ask labor to accept this unproven declaration, nor do we ask that the experience of other nations be accepted. We ask that nothing less than absolute and satisfactory proof be considered.

Here is the proof: The value of staple articles is regulated

by the world's demand. The value of a day's labor is regulated and fixed by home demand. The value of exportable commodities will always be measured by the world's money standard. The price of labor will always be measured by the money standard of the country in which the labor is performed. World-wide demand would be the leaven to raise the local price of staple commodities—not that the actual valne of these commodities would change, but it would take more of our "cheap money" to buy them and prevent their exportation. Labor would have no option. Labor could not hunt standard money in the markets of the world; it would have to accept legal tender money of the United States.

The money standard of any particular country has no influence whatever on the actual value of exportable commodities, but non-exportable commodities are at the mercy of local influence and local money. Suppose, for instance, that the republic of Brazil should change from a gold basis to a silver basis. Would the change compel us to pay more or less for a sack of coffee imported from that country? The change might alter the character of money received by the coffee planter in Brazil, but it could not alter the value of coffee in the markets of the world. The world's commerce is conducted on a gold basis, and the value of all staple commodities is measured by gold, not by the gold coins of English denomination, not by German, French or American gold coins, but a thousand pounds of coffee or a thousand pounds of wheat, a thousand pounds of cotton or wool, or a thousands yards of cloth are worth so many ounces of gold anywhere and everywhere in the world's markets, and the varying cost of transportation accounts for different values at different points.

A depreciated currency in the United States would mean an immediate advance, as represented by our dollars, in the price of provisions and clothing. The advance would simply equalize the percentage of currency depreciation. If our dollar became worth only one-half of its present value, as compared with the world's money standard, two dollars would be required to purchase one dollar's worth of any staple commodity. All of our staple food products are exportable, and

the fabrics that clothe our wage earners are exportable. Their values are fixed in Europe. It can not be denied, therefore, that every necessity of life would advance in price under a depreciated currency.

What influence would advance the wage of labor? This is the all-important issue with the man who is dependent upon his daily earnings. The possessor of a thousand bushels of wheat may sell it here or yonder, as will best serve his interests. Has the wage earner a like option? The wheat owner may delay sale in anticipation of a better price. May the wage earner profit by this privilege? Not at all. The range of his usefulness extends no further than the reach of his arms. He may earn a dollar only where he stands, and his capital—the ability to perform a day's labor—is as perishable as mist under the rays of a burning sun; upon the stroke of seven the day's work must be started, else reward for that day is lost forever. The laborer can neither hoard his energies nor realize upon labor unperformed.

In this country we fix the price of two things only: labor and garden truck. In the nature of things, local conditions only can influence either. The law of supply and demand regulates all values, but one important fact must not be overlooked: the value of non-perishable commodities is regulated by the world's demand, while local demand and local influence govern the value of all perishable commodities and the price for labor.

Here is another fact that must be borne in mind: money, in itself, is absolutely worthless. It simply represents value. The wage earner toils that he may have bread to eat and clothes to wear. If his efforts produce a surplus, it is saved for the purchase of a home or for the support of his old age. The money thus saved cannot itself satisfy the hunger of its possessor; it must be spent for food. Does not good judgment suggest that these savings should be represented by a dollar that would not fluctuate, that would buy as much fifty years hence as now? and does not reason prove that the standard of the civilized world will be more enduring than a standard adopted, as an experiment, by a single nation?

Can it be reasonably argued that the return of prosperous

conditions depends wholly upon an addition to our circulating medium? By no means. For it is a fact that our circulation is now twenty-six dollars per capita; higher than it has ever been in the history of our country. Clearly more money cannot bring relief, because a very considerable percentage of the money now in existence lies stored in bank vaults. Upon what, then, must we depend for a return of prosperity? Is it not industrial activity? No system of finance offers money to idle labor or profit to idle capital. Labor must be operative and capital must be active, else neither can receive profit.

A revival of industry, then, is our supreme need. Industry withers when capital loses confidence and seeks safety in idleness. Capital is timid, but not wicked. It does not remain idle through malice, but when its safety is doubtful it seeks the bank vault. If a majority of the ballots deposited in our fall elections shall protest against a depreciated currency, capital will burst its vaults and quicken industry everywhere.

Away with prejudice; let us reason together. Labor and capital are demanding employment. Labor must believe in the certainty of its reward, and capital must feel sure of profit, else both will remain idle. Let us destroy existing doubt by crushing the false doctrine of "free coinage." Let us rally under the flag of truth and rebuild the temple of Confidence, and let us build it so well and upon so firm a foundation that its walls will stand forever. A patriot true is he whose hand and heart shall aid this worthy cause.

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